D.T.E. 01-47

Petition of North Attleboro Gas Company, pursuant to G.L. c. 164 § 69I, for approval by the Department of Telecommunications and Energy, of its Long-Range Forecast and Supply Plan for the five-year period November 1, 2001, through October 31, 2006.

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I. INTRODUCTION AND PROCEDURAL HISTORY

On May 1, 2001, pursuant to G.L. c. 164 § 69I, North Attleboro Gas Company ("North Attleboro" or "Company") filed with the Department of Telecommunications and Energy ("Department") a petition for approval of its Long-Range Forecast and Supply Plan ("Plan") for the period of November 1, 2001 through October 31, 2006. The petition was docketed as D.T.E. 01-47.

North Attleboro, a subsidiary of the Southern Union Company, is a regulated natural gas distribution utility headquartered in North Attleboro, Massachusetts. The Company serves approximately 4,000 customers in the towns of North Attleboro and Plainville. Pursuant to notice duly issued, the Department conducted a public hearing and procedural conference in Boston on May 29, 2001. The Department granted Intervenor status to the Division of Energy Resources ("DOER").

An evidentiary hearing was held at the Department's offices on September 19, 2001. North Attleboro presented four witnesses in support of its Plan: Lee Smith, senior economist for La Capra Associates; James Harrison, vice-president of Management Applications Consulting; Gary Beland, assistant vice-president for gas supply for the New England Division of the Southern Union Company; and Peter Czekanski, director of pricing for the New England Division of the Southern Union Company. The evidentiary record consists of the Company's filing, 117 information request and responses, and five record requests and responses. The Company submitted an initial brief and a reply brief, and DOER submitted an initial brief.

II. ANALYSIS OF THE LONG-RANGE FORECAST

A. Standard of Review

Pursuant to G.L. c. 164, § 69I, the Department is required to ensure "a necessary energy supply for the Commonwealth with a minimum impact on the environment at the lowest possible cost." In accordance with this mandate, the Department reviews the long range forecast of each gas utility to ensure that the forecast accurately projects the gas sendout requirements of the utility's market area. G.L. c. 164, § 69I. A forecast must reflect accurate and complete historical data, and reasonable statistical projection methods. G.L. c. 164, § 69I; 980 C.M.R. § 7.02 (9)(b). Such a forecast should provide a sound basis for resource planning decisions. Colonial Gas Company, D.P.U. 96-18, at 4 (1996); Baystate Gas Company, D.P.U. 93-129, at 5 (1996); Holyoke Gas and Electric Department, D.P.U. 93-191, at 2 (1996); Berkshire Gas Company, 16 DOMSC 53, at 56 (1987).

In its review of a forecast, the Department determines if a projection method is reasonable based on whether the methodology is: (a) reviewable, that is, contains enough information to allow a full understanding of the forecast methodology; (b) appropriate, that is, technically suitable to the size and nature of the particular gas company; and ©) reliable, that is, provides a measure of confidence that the gas company's assumptions, judgments, and data will forecast what is most likely to occur. D.P.U. 96-18, at 5; D.P.U. 93-129, at 5; D.P.U. 93-191, at 2; Haverhill Gas Company, 8 DOMSC 48, at 50-51 (1982). Specifically, the Department examines a gas company's: (1) planning standards, including its weather data; (2) forecast method, including the forecast results; and (3) derivation and results of its design and normal sendout forecasts. See D.P.U. 93-129, at 5-6; see also Boston Gas Company,

D.P.U. 94-109 (Phase I), at 9 (1996). As part of the review of the forecast, the Department also examines the company's scenario analysis, which is used for evaluating the flexibility of the company's planning process, including any cold-snap analysis[1] and sensitivity analysis. Boston Gas Company, 25 DOMSC 116, at 200 (1992) ("1992 Boston Gas Decision"); see D.P.U. 93-129, at 23-25 and D.P.U. 94-109 (Phase I), at 61-66.

B. Previous Sendout Forecast Review

The last review completed for a forecast and supply plan filed by the Company was described by the Energy Facilities Siting Council in its decision in North Attleboro Gas Company, EFSC 86-22 (1986) in which the Company's Forecast and Supply Plan was approved with directions for future filings. Specifically, the Company was directed in its next forecast filing: (a) to justify the use of different ranges of weather data for its normal year and design year standards; (b) to establish the reliability of its weather databases for North Attleboro's service territory; (c) to justify the use of a methodology for determining its design year standard based on four-day historical peaks; (d) to justify its projections of customer numbers; (e) to justify the use of a different range of weather data as a basis for its design day standard than that used for its normal year standard; and (f) to justify the appropriateness of its methodology for choosing its design day month. North Attleboro Gas Company, EFSC 86-22 (Final Decision), at 15 (1986). To the extent that such conditions remain appropriate for discussion, this Order addresses the Company's compliance with the Department's directives in

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[1] A cold-snap is a prolonged series of days at or near design conditions. Colonial Gas Company, D.P.U. 93-13, at 66 (1995); 1992 Boston Gas Decision at 217; Commonwealth Gas, 17 DOMSC 71, at 137 (1998).

Section II.

C. Planning Standards

The first element of the Department's forecast review is an assessment of a company's planning standards in order to determine if they are reviewable, appropriate, and reliable. A company's planning standards are used as a basis for projecting its sendout forecast, which, in turn, is used to ascertain the adequacy and cost of a company's supply plan. The Department's review of a company's planning standards begins with an examination of a company's weather data, and continues with an analysis of how the company arrived at its normal year,[2] design year,[3] and design day[4] standards.

1. Weather Data

a. Description

The Company examined three different weather data for use in its load projections (Exh. NA-1, Vol. I, at 8-9). These include the North Attleboro degree days[5] weather data which it collected at the Company's plant in North Attleboro, the T.F. Greene degree days

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2 The normal year is the normal number of degree days within a certain range.

3 The design year is the degree days throughout the heating season to which the company matches its gas supply in order to meet the needs of its customers. It is generally based on the coldest winter season which the company has experienced over a twenty- or thirty-year time period. Design year varies from company to company.

4 The design day represents the coldest day for which the company plans to provide reliable firm service.

5 A degree day ("DD") indicates how far a day's average temperature departs from 65ºF. Heating Degree Days ("HDD") indicate how far the average temperature fell below 65ºF. A conventional degree day does not take into account wind speed in determining the coldness of the weather.

weather data which measured degree days at the Providence airport, approximately 10 miles south of Providence, Rhode Island, and the Weather Services Corporation, Inc. ("WSC") effective degree days[6] ("EDD") weather data which cover the past 36 years,[7] and are specific to North Attleboro's service territory (id.). Based on a detailed statistical analysis of the three data sets, the Company decided to use the EDD data as the basis for its load projections (Exh. NA-1, Vol. I, at 10).

b. Analysis and Findings

The Department has previously found the use of EDDs from WSC to be an appropriate input to a local distribution company's ("LDC") planning standard. See Fall River Gas Company, D.T.E 99-26 (2000). The Department finds that the Company's use of the WSC effective degree day weather data which are specific to North Attleboro's service territory and span 36 years is appropriate for input into its planning standards. The Department further finds that the Company's 36-year database from WSC is comparable to other weather databases approved previously by the Department. Fall River Gas Company, D.T.E. 99-26, at 4 (2000); Colonial Gas Company, D.P.U. 93-13, at 10 (1995); 1992 Boston Gas Decision, at 135-136; Colonial Gas Company, 23 DOMSC 351, 363-364 (1991) ("1991 Colonial Gas Decision"). Therefore, the Department concludes that North Attleboro has developed an adequate database from which to develop the Company's planning standards. The Department finds that the weather data used by North Attleboro are reviewable, appropriate, and reliable.

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6 An effective degree day ("EDD") takes into account wind speed in determining the coldness of the weather.

7 The Company noted that the full database of effective degree day data available to it covered the past 36 years (Exh. DTE 1-02).

2. Normal Year Standard

a. Description

North Attleboro developed its normal year standard[8] using 20 years[9] of weather data (Exh. NA-1, Vol. I, at 11). The Company first computed the average annual degree days for the most recent 20-year period, 1981 to 2000 (id.). Next, the Company computed the average degree day in each month over the same period (id.). The Company then modeled the typical day-to-day variation in degree days by (1) selecting a typical month whose total degree days were similar to the 20-year average and standard deviation for each month, and (2) prorating the daily values to match exactly the 20-year average for the month, because the degree days in these typical months did not match exactly the 20-year average (id.). These prorated values served as a proxy for daily heating degree days for the normal year (id.). Based on this method, the Company calculated its normal year standard of 6,236 EDD (Exh. NA-1, Vol. I, Table DD, Sch. 1). Of the 6,236 EDD, the Company expects 5,399 EDD to occur during the heating season (id.). The Company explained that it would have preferred to use weather data for a period longer than 20 years to estimate the normal weather, but believed that the Department required a 20-year period (Tr. at 30-32).

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8 The normal year standard is the demand profile associated with the average, or "typical" temperature level that can be expected over the course of a year.

9 The Company noted that the Department has approved the use of twenty (20) years' worth of weather data to develop a normal-year weather standard in numerous decisions including, most recently, Essex County Gas Company, D.P.U. 93-95, at 6 (1996), Berkshire Gas Company, D.T.E. 98-99, at 8 (1999), Boston Gas Company, D.P.U./D.T.E. 97-81, at 11 (2000); Colonial Gas Company, D.T.E. 98-90, at 6 (2000); and Fall River Gas Company, D.T.E. 99-26, at 5-6 (2000) (DTE-1 and Company Brief at 6).

b. Analysis and Findings

The use of an arithmetic average of historical DD data to establish a normal year standard has been accepted previously by the Department. Colonial Gas Company, D.P.U. 96-18, at 9 (1996); Colonial Gas Company, D.P.U. 93-13, at 10 (1995); 1992 Boston Gas Decision, at 136; 1991 Colonial Gas Decision, at 363-364; Fall River Gas Company, D.T.E. 99-26, at 5-6 (2000). Because North Attleboro based its normal year standard on an historical average of its local weather data, and its planning standards on an acceptable weather database, the Department finds that the method used by North Attleboro for determining its normal year standard is reviewable, appropriate, and reliable.

3. Design Year Standard

a. Description

The Company stated that it constructed its design year standard by using all 36 years of available historical degree-day data, commencing in 1965 and ending in 2000 (Exh. NA-1, Vol I, at 12). The Company explained that by using a longer period than the 20 years used to determine the normal year standard, it created a more accurate probabilistic estimate of design year and design day weather (id.). The Company explained that in order to estimate the heating season and non-heating season design-year degree days, it first computed the design-winter and the design-summer heating degree days, each with a one-in-30-year recurrence probability (id.). Next, the Company allocated the computed design-year total heating degree days between the winter and summer seasons (id.).

The Company analyzed various design year standards and ultimately selected a one-in-30 year design standard of 7,215 DD (Exh. NA-1, Vol. I, at 12-13; id., Sch. 1). The

heating or winter season of the design year contains 6,121 DD, and the non-heating season contains 1,093 DD (Exh. NA-1, Vol. I, at 12; id., Sch. 1). The Company noted that the historical peak for the 36-year period covered by the WSC weather data was 1,117 heating degree days which occurred in the summer of 1974 (Exh. NA-1, Vol. I, at 13). The Company noted that its decision to adopt a one-in-30 year design standard was based on the statistical derivation of this standard which resulted in a winter season that is roughly equivalent to the most severe winter in the past 30 years (Exh. DTE 1-02).

The Company noted that a higher design standard would be overly conservative and would result in additional portfolio costs (Exh. DTE 1-02). The Company explained that it adjusted the design year by increasing the coldest day (January 10) of the design year to reflect a design day, and then reducing, on a pro-rata basis, the remaining days of the month by an equivalent amount, in order to develop the most rigorous weather criteria possible for planning purposes (Exh. NA-1, Vol. I, at 13). The Company stated that, in keeping with the common practice in gas-utility planning, it included a design day in the calculation of the design year, so that complex dispatch simulations could demonstrate supply resources dispatched on a design day (id.).

b. Analysis and Findings

In its 1986 Gas Generic Order, 14 DOMSC 95, at 96-97, 104-105 (1986) ("1986 Gas Generic Order"), the Siting Council notified gas companies that it would place renewed emphasis on design criteria "to ensure that those criteria bear a reasonable relationship to design conditions that are likely to be encountered." The Department finds that North Attleboro has complied with Department precedent in this area by using a probabilistic analysis in establishing

its design year standard. The Department concludes that the Company presented a reasonably credible analysis in support of its use of a one-in-30 year standard.

The Department finds that the method for determining the design year standard used by North Attleboro is reviewable, appropriate, and reliable, and provides a reasonable basis for resource planning decisions. The Department notes that, in using 36 years' worth of weather data to develop the design year standard, the Company's intent was to create a more accurate probabilistic estimate of the design year and design day weather. However, the Company has not justified its use of a longer set of data to develop its design weather standard than the data set used to develop the Company's normal weather standard. The Department further notes that although a longer database contains the Company's weather experience, it may not reflect accurately more recent weather patterns. Therefore, in its next forecast and supply plan, North Attleboro should use a database that contains 20 years worth of data, unless the Company can justify that the use of a larger database accurately reflects the weather pattern that the Company expects will prevail in the future.

4. Design Day Standard

a. Description

The Company's design day standard establishes the minimum deliverability that the Company must have available on the coldest day for which the company is expected to plan. The Company's design day standard was based upon a probabilistic and cost/benefit analysis similar to that used by the Company to develop its design year. The Company computed the design day heating degree days to be 78.6 using a two percent probability, or a recurrence probability of once every 50 years (Exh. NA-1, Vol. I, at 14). The Company noted that, by

comparison, the coldest historical data point was an 80 DD (accounting for the effect of wind) recorded on January 17, 1982 (Exh. NA-1, Vol. I, at 14; Exh. DOER 1-22).

The Company explained that it selected the one-in-50 requirement based on several factors including: (1) a review of Fall River's Forecast and Supply Plan, specifically, its analysis of the cost consequences of employing alternative design day standards (Exh. NA-1, Vol. I, at 14-15); (2) a review of the Company's cost of providing design-day capacity (Exh. NA-1, Vol. I, at 15); and (3) the observation that the Company experienced days of 78 and 80 DD in the past 32 years and that both days would have resulted in outages if the Company had been employing a statistically derived one-in-30 design-day standard (id.). The Company noted that using a two percent recurrence probability, the one-in-50 design day resulted in 78.6 degree day standard, compared to a 77.3 degree day that would result had the Company used a one-in-30 recurrence probability (Exh. NA-1, Vol. I, at 15).

The Company explained that given North Attleboro's winter heating increment of 60.6 Dth per degree day, a one-in-30 recurrence probability would reduce the design day load requirement by 82 Dth. The Company calculated that by moving from a 50-year recurrence probability to a 30-year recurrence probability, it would save approximately $4,300 per year based on the cost of additional liquid natural gas ("LNG") vaporization equipment, as calculated by the Company (id.). The Company noted that while no specific quantitative information was available to suggest the customer's value to avoid an outage, discussions within the Company's management team identified both direct costs (cost to restore service and probable legal costs to settle expected liability claims) and indirect costs, that justified this level of expenditure (Exh. NA-1, Vol. I, at 16). The Company further noted that based on the

results of a pilot study conducted by Fall River Gas Company on relighting in case of an outage, the Company estimated that approximately 320 residential customers would experience outages at roughly $60 per customer (id.). The Company determined that given the relighting cost estimates, the costs of maintaining the higher design standard of 78.6 EDD, or one-in-50 year, is reasonable, especially in light of the fact that the Company experienced an 80 DD in the past (id.).

The Company explained its reasons for not using an 80 degree day as the design day standard, although an 80 degree day has occurred in the past. The Company noted that given that its planning criteria are intended to provide a reasonable compromise between reliability and cost, and given that in the 36-year history observed, one day was colder than that which would have been expected in a 50-year period, if available capacity that year were at the minimum level called for within its planning standards, then a small number of curtailments may have been necessary to ensure reliable service to the remainder of the Company's customers (Exh. DOER 1-23). The Company also noted that because its resource planning is based on providing reasonable levels of reliability without incurring excessive costs for capacity that will be used very rarely, if ever, the Company decided against using an 80 degree day as the design day standard (id.).

The Company indicated that planning to an 80 degree day instead of 78.6 EDD would require serving an additional 1.4 degree days at 60.6 Dth per degree day, which would increase the design day load requirement by roughly 85 Dth (Exh. DOER 1-24). The Company noted that at approximately $50 per Dth, the cost to serve this additional load would be approximately $4,250 per year (id.).

b. Analysis and Findings

The Department's design day standard requires an LDC to develop a statistically derived design day standard and to analyze the cost implications of at least two levels of reliability as part of its analysis in establishing the design day standard. See, e.g., Fall River Gas Company, D.T.E 99-26, at 10. The analysis requires an LDC to account for the changes that affect both demand and supply conditions in the natural gas market.

The Department finds that North Attleboro has performed an adequate analysis of the cost of unserved demand, and has reasonably quantified the actual costs associated with planning to different standards in determining its design day standard. Therefore, the Department finds that the Company's method for determining its design day standard is reviewable, appropriate, and reliable. However, for the reasons stated in Section II.C.3.b, above, the Department directs the Company to develop in North Attleboro's next forecast and supply plan, its design day standard based on a 20-year database, unless the Company can justify that the use of a larger database accurately reflects the weather pattern that the Company expects will prevail in the future.

5. Cold-Snap Planning Standard

a. Description

The Company noted that its ability to respond to a cold-snap is restricted, in part, by North Attleboro's local storage capacity and by its limited ability to receive propane and LNG deliveries (Exh. NA-1, Vol. I, at 17). In order to provide a true test of the Company's ability to meet the requirements of a cold-snap, North Attleboro identified the ten consecutive days with the greatest total heating degree day content over the 36 year history of data available to it.

The Company indicated that the maximum heating degree ten-day total of 668 degree days was observed during the period of February 9 through February 18, 1979 (id.). In the cold-snap, the heating degree days ranged from 58 to 73 each day. The Company stated that in order to model the worst case scenario, it included only one weekend in the ten day cold-snap to determine the cold-snap planning standard. (id.).

b. Analysis and Findings

For the same reasons stated in Section II.C.3.b, above, the Department finds North Attleboro's analysis to determine its cold-snap planning standard to be reviewable, appropriate, and reliable. The Department, therefore, finds the cold-snap planning standard presented by North Attleboro to be reviewable, appropriate, and reliable. However, as in Section II.C.3.b, above, and for the same reasons, the Department directs the Company to develop its cold-snap analysis using 20 years of data, unless the Company can justify that the use of a larger database accurately reflects the weather pattern that the Company expects will prevail in the future.

6. Conclusions on Planning Standards

The Department has found that North Attleboro used: (1) reviewable, appropriate, and reliable weather data in the development of its planning standards; (2) a reviewable, appropriate, and reliable normal year standard; (3) a reviewable, appropriate, and reliable design year standard; (4) a reviewable, appropriate, and reliable design day standard; and (5) a reviewable, appropriate, and reliable cold-snap planning standard. Accordingly, the Department finds that the Company's planning standards are reviewable, appropriate and reliable.

D. Forecasting Methods

1. Forecasting Model

a. Description

North Attleboro stated that the forecast employed by the Company was based on an analysis of general gas-sales market conditions, demand by new and potential customers for natural gas, alternative fuel availability and prices, reliable and appropriate weather data and economic and demographic projections that are descriptive of conditions in the Commonwealth of Massachusetts and within the Company's service territory (Exh. NA-1, Vol. I, at 19-22).

The Company used an econometric forecasting model that employed multiple regression techniques to estimate equations that predict the number of customers and sales or usage per customer for each of the Company's major customer classes, including residential non-heating customers (Rate Sch. R-1 and R-2), residential heating customers (Rate Sch. R-3 and R-4), optional space heating customers (Rate Sch. G-0), commercial customers (Rate Sch. G-1), small industrial customers (Rate Sch. G-2), and large industrial customers (Rate Sch. G-3). (id.).

The Company's methodology for forecasting its sendout requirements relied primarily on econometric forecasting techniques, and to a much lesser extent, on traditional engineering methods, as well as on sales and marketing data (Exh. NA-1, Vol. 1, at 21-23). For the various customer classes, the Company developed quarterly or monthly econometric specifications that relate either the number of customers, or the usage per customer for each major customer group, to a number of key demographic and socioeconomic variables descriptive of conditions within the Company's service territory (id.). The Company stated that

where it could not establish statistically significant relationships between the dependent variable and the independent variables, the Company used traditional trend analysis to generate specific forecasted series for these variables based on specific demographic and economic trends in the Commonwealth of Massachusetts and within North Attleboro's service territory (id.).

2. Econometric Forecasting

The Company used data from its internal operating statistics database as well as various local, state-level, and national-level socioeconomic data series to estimate the econometric models (Exh. NA-1, Vol. I, at 22). The Company collected ten years of operating data on a monthly basis on the number of customers by rate class, weather normalized sales by customer rate class, usage by customer rate class, revenues and average price by customer rate class, Company use and unaccounted-for-gas, total system sendout, and monthly actual and billing-cycle-adjusted heating effective degree days for the purposes of analysis, modeling and forecasting (Exh. NA-1, Vol. I, at 23).

In order to compute historical year loads under normal weather conditions, the Company used monthly data to develop degree day sensitivity factors (Exh. NA-1, Vol. I, at 26-27). Next the Company calculated base use per customer per day using the average of July and August consumption for each historical year (id., at 27). The Company then computed annual heating sensitivity factor per degree day per customer which it applied to the difference between normal and actual degree days (id.). Finally, the Company multiplied the annual heating sensitivity factors by the difference between normal-year and design-year degree days (id.). The Company stated that it used the same approach to compute design year sendout requirements for the forecasted test years, with the one exception that the heating sensitivity

factors were computed monthly rather than annually (id.).

According to North Attleboro, the Company's class load forecasts reflect the effect of customer-initiated conservation and load management activities (Exh. NA-1, Vol I, at 27; id., at Tables G-1- G-3). The sales forecasts assumed that existing customer conservation and load management activities will continue at the same pace as past levels (Exh. NA-1, Vol I, at 27; id., at Table G-5). The Company stated that over the next year, it will develop and implement its own conservation and load management programs[10] which should result in some load reduction not currently reflected in the load forecast (Exh. NA-1, Vol. I, at 27).

The Company's demand forecast results showed that total annual Company sendout will increase modestly throughout the planning period at an annual growth rate of approximately 3.1 percent (Exh., NA-1, Vol. I, at 24; Company Brief at 5). This overall growth rate reflects the projected modest growth from most major customer groups, with the exception of the residential customers without gas heating and small commercial and industrial customers, whose consumption is expected to decline (id.). The Company noted that on a Company-wide basis, the total number of natural gas customers was expected to increase at an annual rate of approximately 2.6 percent, with the majority of customer growth expected to come from

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[10] The Company noted that it has already initiated discussions with Fall River Gas Company ("Fall River") regarding the development and joint participation with North Attleboro in an energy efficiency plan for the Company (Exh. DOER-52). The Company expects that its joint participation with Fall River will allow North Attleboro to reduce the ramp-up period that would otherwise be required to establish an independent program and will similarly reduce the required initial administrative costs of establishing a separate energy efficiency and demand side management program (Exh. DOER-53 and Company Brief at 7).

residential heating customers[11] which were projected to grow at an annual rate of approximately 4.0 percent during the planning period. (Exh. NA-1, Vol. I, at 24-25; Company Brief at 5). The Company further stated that it projected annual gas usage for each customer group prior to conservation efforts to remain essentially unchanged throughout the forecast period[12] (Exh. NA-1, Vol. I, at 25; Company Brief at 5), and that it did not anticipate any interruptible sales ("IS") during the planning period (Exh. NA-1, Vol. I, at 25). The Company explained that IS could be used as a backup service to dual-fuel customers only if dual-fuel usage were prevalent in the Company's service territory. However, given that dual-fuel usage load is currently non-existent and since its interruptible nature does not pose any planning demands on the system, North Attleboro did not incorporate IS in the Company's forecast (id.).

The Company indicated that because of the relatively short history of transportation service, it was unable to use econometric techniques to forecast transportation loads (Exh. NA-1, Vol. I, at 28; Company Brief at 7). As a result, the Company developed its forecast of transportation loads over the five-year forecast period in consultation with the

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11 The Company noted that although it does not currently have in place any plans or promotional campaigns to convert heating oil customers to gas heating, it expects to continue to experience consumer-driven conversions to gas heating (Exh. DTE 1-11).

12 The Company explained that it tested the sensitivity of its demand forecast to the two key variables affecting forecasted sales growth: (1) Massachusetts employment; and (2) the population of North Attleboro (Exh. NA-1, Vol. I, at 15, and Sch. 11 and Company Brief at 5). Specifically, the Company noted that it examined the following sensitivity case where Massachusetts employment is higher than projected by 5 percent in 2006; and where North Attleboro's population is 5 percent higher than projected for 2006. The Company found that if Massachusetts employment is higher than projected by 5 percent, total sales will be approximately 4 percent higher. However, if North Attleboro's population is 5 percent higher than projected, sendout will increase by approximately only 1 percent (id.).

Company's marketing and management personnel (id.). The Company projected a modest average annual growth of 1.7 percent in transportation service through 2006, based on the observed growth trends of the two industrial transportation customers over the past four years, on the limited activities of marketers in the Company's service territory, and on the relatively few inquiries that the Company received from customers (Exh. NA-1, Vol. I, at 28).

a. Analysis and Findings

The econometric models developed by North Attleboro incorporate sufficient detail to ensure reasonable results for planning purposes. The Department finds that North Attleboro (1) analyzed the predictive ability of its forecast models, (2) conducted a sensitivity analysis in its forecasts, (3) considered a range of possible forecasts in its resource plans, and (4) conducted an analysis of the relationship between weather and heating usage factors in quite a comprehensive manner in relation to the size of the Company. Therefore, the Department finds that the forecasting models developed by North Attleboro and the socioeconomic data used by the Company in preparing the forecasts are reviewable, appropriate and reliable for forecasting the normal year, design year and design day sendout for the Company's residential and Commercial and Industrial rate classes.

The Department is concerned, however, that the use of state-level socioeconomic data to prepare gas demand and sendout forecasts for a company of the size of North Attleboro could bias the results of the forecasts if the socioeconomic and demographic profiles of the Company's service territory are distinctly different from that of the Commonwealth of Massachusetts as a whole. Therefore, as a requirement for approval of the Company's next forecast and supply plan, North Attleboro is directed to identify and use socioeconomic and

demographic data that reflect more accurately the structure of the economy of the Company's service territory when preparing its demand and sendout forecasts.

3. Normal and Design Year Sendout Forecast

a. Description

The Company based its normal year and design year sendout forecasts on the normal year and design year planning standards described in Sections II.C.2 and 3; and on the forecasting methodology described in Section II.D.2, above. The Company's sendout forecasts show that its normal year sendout for the heating season will increase from 453,915 Dth in the 2001-2002 split year, to 515,621 Dth in the 2005-2006 split year, giving an average growth rate of 2.7 percent per year (Exh. NA-1, Vol. I, at Sch. 10). The Company estimated that its normal non-heating season sendout will be 157,061 Dth in the split year 2001-2002, increasing to 177,537 Dth in the split year 2005-2006, for an average annual growth rate of 2.6 percent (id.). The Company's design year sendout for the heating season is forecasted to be 500,662 Dth in the split year 2001-2002, increasing to 565,798 Dth in the split year 2005-2006, for an average growth rate of 2.6 percent per year (id.). The Company's sendout forecast shows that its design year non-heating season sendout will increase from 166,042 Dth in the 2001-2002 split year, to 187,680 Dth in the 2005-2006 split year, for an average annual growth rate of 2.6 percent (id.). The Company noted that its sendout figures for the normal year and the design year include sales and firm transportation loads (id.).

b. Analysis and Findings

The Department has found that: (1) the Company's normal year standard is reviewable, appropriate, and reliable; (2) the Company's design year standard is reviewable, appropriate,

and reliable; and (3) the residential and C&I forecasting models and data used by North Attleboro are reviewable, appropriate, and reliable. Therefore, based on these subsidiary findings, the Department finds that the normal year sendout forecast by North Attleboro is reviewable, appropriate, and reliable, and that its design year sendout forecast is also reviewable, appropriate, and reliable.

4. Design Day Sendout Forecast

a. Description

North Attleboro indicated that its design day sendout forecast began with the prediction of the calendar year 2000 design day, and was based on the design day standard described in Section II.C.4. Using the 1999-2000 daily load data, the Company stated that it employed multi-regression techniques to estimate a design day sales volume of 5,309 Dthh (Exh. NA-1, Vol. I, at 29; id., at Sch. 3). The Company then predicted design day sales loads for subsequent years by first determining the forecasted annual growth rate in normal year sales for the months of December to February and then applying the annual growth rates to the current design day load estimate (Exh. NA-1, Vol. I, at 29). Using a compounded annual growth rate of approximately 3.2 percent in normal year sales, the Company estimated that sales demand would reach 6,444 Dth in 2005-2006 (id.). The Company explained that since it could not predict design day loads for transportation using statistical techniques because of the lack of sufficient data on transportation service, it used the 2001 peak day to approximate future design day transportation loads (id.). The Company noted that it's design peak-day forecasted sendout, which includes both sales and transportation loads, will increase from 6,110 Dth in the split year 2001-2002 to 6,916 Dth in the split year 2005-2006, for an average annual growth

rate of 2.6 percent (Exh. NA-1, Vol. I, at Sch. 10).

b. Analysis and Findings

The Department finds that the Company's design day standard is reviewable, appropriate, and reliable and its residential and C&I forecasting models and data are reviewable, appropriate, and reliable. Thus, the Department finds that North Attleboro's design day sendout forecast is reviewable, appropriate, and reliable.

5. Cold-Snap Sendout Forecast

a. Description

The Company explained that it used the cold-snap planning standard described in Section II.C.5 as basis for preparing its cold-snap sendout forecast. Using econometric modeling to predict loads, the Company estimated that its daily sendout requirements range from a low of 3,793 Dth/day to a maximum level of 4,406 Dth/day (Exh. NA-1, Vol. I, at 17). The Company identified the resources available to it for serving cold-snap loads (see Exh. DOER 1-26). The adequacy of these resources for serving cold-snap loads is addressed in Section III. C. 3.

b. Analysis and Findings

The Department finds that the planning standards used by North Attleboro to forecast its cold-snap sendout are reviewable, appropriate, and reliable data. The Department also finds that the econometric modeling techniques and the data used by North Attleboro to forecast its cold-snap sendout are reviewable, appropriate, and reliable. The Department therefore, finds North Attleboro's cold-snap forecasted sendout to be reviewable, appropriate and reliable.

E. Conclusions on the Sendout Forecast

The Department finds that the planning standards by North Attleboro are reviewable, appropriate, and reliable. Further, the Department notes that the normal year sendout forecast, and the design year and design day forecasts by North Attleboro are reviewable, appropriate, and reliable. Finally, the Department finds that the cold-snap planning standards presented by North Attleboro are reviewable, appropriate, and reliable; and that the cold-snap sendout forecasting techniques and data presented by North Attleboro are reviewable, appropriate, and reliable. Based on these subsidiary findings, the Department approves the sendout forecast of North Attleboro for the split years 2001-2002 through 2005-2006.

The Department, however, notes that North Attleboro was directed by the Energy Facilities Siting Council in North Attleboro Gas Company, EFSC 86-22, at 15 (1986) to justify, in the Company's next forecast filing, the use of different ranges of weather data for developing its normal year, design year, and design day standards. The Department finds that North Attleboro used 20-years' worth of weather data to develop its normal year standard, but used 36-years' worth of weather data to develop the Company's design- year, design-day, and cold-snap planning standards. North Attleboro therefore, failed to fulfill the 1986 directive given by the EFSC. The Department directs North Attleboro, as a condition for approval of the Company's next forecast and supply plan, to justify convincingly the use of different ranges of data as bases for developing its normal-year, design-year, design-day, and cold-snap planning standards.

III. ANALYSIS OF THE SUPPLY PLAN

A. Standard of Review

The Department is required to ensure "a necessary energy supply for the

Commonwealth with a minimum impact on the environment at the lowest possible cost." G.L. c. 164, § 69I. In fulfilling this mandate, the Department reviews a gas company's supply planning process and the two major aspects of every utility's supply plan -- adequacy and cost.[13] Commonwealth Gas Company, D.P.U. 92-159, at 53 (1995); Colonial Gas Company, D.P.U. 93-13, at 49-50 (1995); 1992 Boston Gas Decision, at 201.

The Department reviews a gas company's five-year supply plan to determine whether the plan is adequate to meet projected normal-year, design-year, design-day, and cold-snap firm sendout requirements. The Department's review of reliability, another necessary element of a gas company's supply plan, is included in the Department's consideration of adequacy. See Fall River Gas, D.T.E. 99-26, at 18 (2000); Colonial Gas Company, D.P.U. 93-13 at 50, n.22; 1992 Boston Gas Decision, 25 DOMSC at 201, n.87. In order to establish adequacy, a gas company must demonstrate that it has an identified set of resources that meet its projected sendout under a reasonable range of contingencies. If a company cannot establish that it has an identified set of resources which meet sendout requirements under a reasonable set of contingencies, the company must then demonstrate that it has an action plan which meets projected sendout in the event that the identified resources will not be available when expected. D.P.U. 96-18, at 31; D.P.U. 92-159, at 54; D.P.U. 93-13, at 50.

In its review of a gas company's supply plan, the Department reviews a company's overall supply planning process. An appropriate supply planning process is essential to the

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[13] G.L. c. 164, § 69I also directs the Department to balance cost considerations with environmental impacts in ensuring that the Commonwealth has a necessary supply of energy. Colonial Gas Company, D.P.U. 96-18, at 31; Commonwealth Gas Company, D.P.U. 92-159, at 53; Colonial Gas Company, D.P.U. 93-13 at 50.

development of an adequate, low-cost, and low environmental impact resource plan. Pursuant to this standard, a gas company must establish that its supply planning process enables it to (1) identify and evaluate a full range of supply options, and (2) compare all options -- including Conservation and Load Management ("C&LM") -- on an equal footing. Colonial Gas Company, D.P.U. 96-18, at 31; Commonwealth Gas Company, D.P.U. 92-159, at 54; Colonial Gas Company, D.P.U. 93-13, at 51; 1992 Boston Gas Decision at 202.

Finally, the Department reviews whether a gas company's five-year supply plan minimizes cost. A least-cost supply plan is one that minimizes costs subject to trade-offs with adequacy and environmental impact. Commonwealth Gas Company, D.P.U. 92-159, at 55; Colonial Gas Company, D.P.U. 93-13, at 51-52; 1992 Boston Gas Decision at 203. Here, a gas company must establish that application of its supply planning process has resulted in the addition of resource options that contribute to a least-cost plan.

B. Base Case Supply Plan

In this section, the Department reviews the Company's supply plan and identifies elements that represent potential contingencies affecting the adequacy of supply or which potentially affect the cost of the supply plan. The Department reviews the adequacy of the Company's supply plan, the Company's supply planning process, and the cost of the Company's supply plan.

1. Gas Supplies

The Company indicated that it has the following two contracts for firm gas suppliers:

Supplier	**Maximum Daily Quantity**	**Average Contract Quantity**	**Expiration**

Duke Energy	848	266,010	Year to Year
National Fuel Resources	151	67,799	03/31/2003

(Exh. NA-1, Vol. 1, Table G-23)

2. Storage Facilities and Services

North Attleboro indicates that it has four storage contracts, two with Texas Eastern Transmission Company ("TETCO"), a third contract with CNG Transportation Corporation ("CNG"), and a fourth with National Fuel Resources ("National Fuel") (Exh. NA-1, Vol. I, Table G-23). The deliverability under these contracts is 375 Dth/day, 16 Dth/day, 100 Dth/day, and 381 Dth/day, respectively (id.). Both TETCO contracts are firm and will expire on April 30, 2012 (id.). The CNG contract is interruptible and will expire on April, 30, 2003 (id.), and the National Fuel contract is firm and will expire on March 31, 2003 (id.). North Attleboro indicated that it has not, and does not intend to contract for liquified natural gas supplies given current market conditions (Exhs. D.T.E. 1-15, at 1; D.T.E. 2-02). The Company asserts that procuring LNG supplies would not be cost effective, and will not contribute to significant increases in reliability (Exh. D.T.E 2-02, at 2). The Company indicated to the Department that North Attleboro Gas may potentially share resources with other Southern Union affiliates, specifically Providence Energy, in the event of a curtailment (Tr. at 57; Exh. D.T.E. 2-01). Finally, the Company stated that there is nothing that would prevent North Attleboro from receiving gas, even in an emergency, because of its location (Tr. at 57).

3. Local Production

North Attleboro indicated that it does not have any manufacturing or storage facilities (Exh. NA-1, Vol. I, at 30). The Company stated that it owns an inactive propane-air vaporization facility which is old, and would require substantial upgrades before it could be returned to service (id.).

4. Demand-Side Management

The Company indicated its plans to quantify the implementation costs and potential cost savings resulting from potential DSM activities (Exh. NA-1, at 19). The Company plans to implement those programs that will produce benefits in excess of costs (id.). The Company anticipates the completion of its analysis and the submission of a filing to the Department in the spring of 2002 (id.).

5. Capacity Resources

The Company indicates that it has firm transportation agreements with TETCO Transportation, Algonquin Transportation, National Fuel Gas Supply Company, Transco Pipeline Company, and Dominion Pipe (Exh. NA-1, Vol. I, table G24 at 1). The Company's capacity contracts expire between the years 2001-2012, with the majority expiring in 2012 (id.).

C. Adequacy of the Supply Plan

In reviewing the adequacy of a gas company's five-year supply plan, the Department first examines whether the Company's base-case resource plan is adequate to meet its projected normal-year, design-year, design-day, and cold-snap firm sendout requirements and, if so, whether the Company's plan is adequate to meet its sendout requirements if certain supplies

become unavailable. See Colonial Gas Company, D.P.U. 93-13, at 62 (1995); 1992 Boston Gas Decision, at 212-213. If the supply plan is not adequate under the base-case resource plan, or not adequate under the contingency of existing or new supplies becoming available, then the Company must establish that it has an action plan which will ensure that supplies will be obtained to meet its projected firm sendout requirements. Colonial Gas Company, D.P.U. 93-13, at 62; 1992 Boston Gas Decision, at 212-213.

1. Normal and Design Year Adequacy

a. Description

North Attleboro submitted its supply plans for meeting its forecasted normal year and design year sendout requirements throughout the forecast period (Exh. NA-1, Vol. I, Tables G-22N, G-22D). North Attleboro explained that it plans to meet its normal year and design year heating season needs by using a combination of several existing supply, underground storage, and interstate pipeline contracts (Exh. NA-1, Vol. I, at 30). North Attleboro forecasts that normal year firm sendout requirements will increase from 453,915 Dth in the 2001-2002 heating season to 515,621 Dth in the 2005-2006 heating season. North Attleboro forecasts that design year firm sendout requirements will increase from 500,662 Dth in the 2001-2002 heating season to 565,795 Dth in the 2005-2006 heating season (Exh. NA-1, Vol. I, Table G22N, G22D).

b. Analysis and Findings

As noted previously, the Department has found North Attleboro's normal year forecast to be reviewable, reliable, and appropriate. The Department also found the Company's design

year reviewable, appropriate, and reliable. Based on North Attleboro's sendout and supply tables, the Company has demonstrated that it has adequate supplies to meet its forecast sendout requirements under normal, design, and cold-snap conditions throughout the forecast period. Accordingly, the Department finds that North Attleboro has established that the Company has adequate supplies to meet its normal year and design year forecast sendout requirements throughout the forecast period.

2. Design Day Adequacy

a. Description

The Company explains that it has adequate capacity to serve the design day requirements throughout the forecast period (Exh. NA-1, Vol. I, at 38). North Attleboro plans to meet its design day needs through existing firm pipeline supplies, underground storage, DSM, and limited new supply agreements that it intends to enter into shortly (id., at 30). North Attleboro forecasts that design day firm sendout requirements will increase from 6,110 MMBtu in the 2001-2002 heating season, to 6,916 MMBtu in the 2005-2006 heating season (Exh. NA-1, Vol. I, Table G-23).

b. Analysis and Findings

North Attleboro did not provide an action plan to indicate whether it can obtain supplies to meet the Company's firm sendout requirements in the event existing or new supplies become unavailable. North Attleboro indicated that it may potentially procure LNG supplies from Southern Union affiliates. The Department notes that North Attleboro Gas has no LNG or propane supply contracts in place, and has no formal agreements with any subsidiaries which

would specifically allow North Attleboro to use existing affiliate LNG supplies. In the absence of a clear protocol that specifies potential measures that may be taken if existing or new supplies become unavailable, the Department directs the Company to include a plan in it's next Forecast and Supply filing which accounts for such a contingency.

As noted previously, the Department found the Company's design day forecast to be reviewable, appropriate, and reliable. Based on this finding and the sendout and supply tables, the Department finds that North Attleboro has demonstrated that it has adequate supplies and facilities to meet forecast sendout requirements under the design day conditions throughout the forecast period.

3. Cold-Snap Adequacy

a. Description

North Attleboro determined that in order to meet its demand during an extreme cold snap, it would have to be able to serve the ten-day total sendout requirement of 41,309 MMBtu (Exh. NA-1, Vol. II, Sch. 4). The analysis assumed the cold snap would contain only one weekend and have a 58 to 73 heating degree day range(Exh. NA-1, Vol I, at 17). North Attleboro explained that in order to meet this extended period of peak demand, it could dispatch its full portfolio of pipeline supplies and storage volumes (id.). The Company's filing demonstrated that the existing and proposed supply resources could satisfy such a contingency (Exh. NA-1, Vol. II, Sch. 4).

b. Analysis and Findings

Based on the Company's analysis, the Department finds that North Attleboro has demonstrated that it has adequate supplies to meet its firm sendout requirements during a prolonged cold snap.

4. Conclusions on the Adequacy of the Supply Plan

The Department finds that: (1) the normal year and design year supply plans are adequate to meet the Company's forecasted sendout requirements throughout the forecast period; (2) the Company has demonstrated that it has adequate supplies to meet forecasted sendout requirements under design day conditions throughout the forecast period, and; (3) the Company has demonstrated that it has adequate supplies to meet its firm sendout requirements during a prolonged cold snap. Based on these subsidiary findings, the Department finds that North Attleboro has established that it has identified adequate resources to meet its firm sendout requirements throughout the forecast period.

D. Supply Planning Process

1. Standard of Review

The Department has determined that a supply planning process is critical in enabling a utility company to formulate a resource plan that achieves an adequate, least-cost and low environmental impact supply for its customers. Berkshire Gas Company, D.P.U. 94-14, at 36 (1994); Colonial Gas Company, D.P.U. 93-13, at 70 (1995); 1992 Boston Gas Decision, at 223; Boston Gas Company, 19 DOMSC 332, at 388 (1990) ("1990 Boston Gas Decision"). The Department has noted that an appropriate supply planning process provides a gas company

with an organized method of analyzing options, making decisions, and reevaluating decisions in light of changed circumstances. D.P.U. 94-14, at 36; D.P.U. 93-13, at 70; 1992 Boston Gas Decision, at 223; 1990 Boston Gas Decision, at 388. For the department to determine that a gas company's supply planning process is appropriate, the process must be fully documented. D.P.U. 93-13, at 70; 1992 Boston Gas Decision at 223.

The Department's review of a gas company's process for identifying and evaluating resources focuses on whether the company: (1) has a process for compiling a comprehensive array of resource options -- including pipeline supplies, supplemental supplies, DSM, and other resources; (2) has established appropriate criteria for screening and comparing resources within a particular supply category; (3) has a mechanism in place for comparing all resources, including DSM, on an equal basis, i.e., across resource categories, and; (4) has a process that as a whole enables the company to achieve an adequate, least-cost, and low environmental impact supply plan. Fitchburg Gas and Electric Light Company, D.P.U. 94-140, at 37 (1996); Colonial Gas Company, D.P.U. 93-13, at 70 (1995); 1992 Boston Gas Decision at 224; 1990 Boston Gas Decision at 54-55.

The Department reviews a gas company's five-year supply plan to determine whether it minimizes cost, subject to trade-offs with adequacy and environmental impact. Fitchburg Gas and Electric Light Company, D.P.U. 94-140, at 37 (1996); D.P.U. 93-13, at 88; 1992 Boston Gas Decision, at 236; 1987 Boston Gas Decision, at 214. A gas company must establish that the application of its supply planning process, including adequate consideration of DSM and consideration of all resource options on an equal basis, has resulted in the addition of resource

options that contribute to a least-cost supply plan. D.P.U. 94-140, at 37; D.P.U. 93-13, at 83; 1992 Boston Gas Decision at 233; Berkshire Gas Company, 14 DOMSC 107, at 115 (1986). As part of this review, the Department requires gas companies to show, at a minimum, that they have completed comprehensive cost studies comparing the costs of a reasonable range of practical supply alternatives prior to selection of major new resources for their supply plans. D.P.U. 94-140, at 37; D.P.U. 93-13, at 89; 1992 Boston Gas Decision at 236; 1986 Gas Generic Order, at 100-102.

2. Identification and Evaluation of Resource Options

a. Supply-Side Resources

Previously, the Department has endorsed local distribution company acquisition processes that involved the solicitation of competitive bids from alternative suppliers. Fall River Gas Company, D.T.E. 99-26, at 30 (2000); Colonial Gas Company, D.T.E. 98-90, at 35; Holyoke Gas and Electric Department, D.P.U. 93-191, at 30 (1996). North Attleboro has indicated that through its Gas Resource Planning Guidelines, it applies price and non-price criteria to determine which options to pursue, and considers both short-term and long-term options. Exh. NA-1, at 46-47. In the current proceeding, the Department finds that the requests for proposals process used by North Attleboro Gas to identify alternative suppliers is appropriate. Accordingly, the Department finds that North Attleboro Gas has formulated an appropriate process for identifying a comprehensive array of supply options, and has developed appropriate criteria for screening and comparing supply resources.

b. Demand-Side Management

As part of its supply planning process, the Company plans to analyze the implementation costs and potential savings that may result from DSM activities (Exh. NA-1, at 19). The Company plans to implement those programs that will produce benefits in excess of costs (id.). The Company stated that it will submit the results of its analysis to the Department as part of its DSM plan in the spring of 2002.

3. Consideration of All Resources on an Equal Basis

a. Description

North Attleboro Gas states that the Company recognizes the role that DSM programs can play in reducing demand for future gas supply resources (Exh. NA-1, Vol. I, at 18). In order to compare DSM resources on an equal footing with supply side resources, North Attleboro Gas notes that both the Company and its customers should be indifferent to whether forecasted loads are served by additional supplies or by load reductions resulting from DSM activities (id.). The Company states that it will quantify the benefits of potential DSM measures using appropriate avoided cost techniques and will develop cost-effective programs to implement all measures with costs that are less than the currently anticipated costs of supply side alternatives using the standards established by the Department in Energy Efficiency Programs, D.T.E. 98-100 (1999), (id.).

b. Analysis and Finding

The Department has held that in order for a gas company's planning process to minimize cost, that process must adequately consider alternative resource additions, including DSM options, on an equal basis. Colonial Gas Company, D.P.U. 93-13, at 83 (1995); 1992

Boston Gas Decision at 233. The record shows that the Company intends to evaluate resources within a single resource group, and will evaluate options across resource groups using industry-accepted standards (Exh. NA-1, Vol I, at 18). Accordingly, the Department finds that North Attleboro Gas has not yet incorporated both supply-side and demand-side options in its resource mix. Therefore, the Department directs North Attleboro to submit a DSM plan by May 31, 2002. After the Company submits its DSM plan, the Department will review it and take appropriate action.

4. Conclusions on the Supply Planning Process

The Department finds that North Attleboro has established that its normal year, design year and design day supply plans are adequate to meet the Company's forecast sendout requirements throughout the forecast period. The Department has also found that North Attleboro has: (1) formulated an appropriate process to identify a comprehensive array of supply options, and has developed appropriate criteria for screening and comparing supply resources; (2) recognized the need to analyze an appropriate process for identifying a comprehensive array of DSM options (the Company asserts that it will develop the appropriate criteria for screening and comparing DSM resources), and; (3) recognized the need to incorporate both supply-side and demand-side options in its resource mix, and in doing so states that it will compare all resources, including DSM, on an equal basis. Finally, the Department finds that North Attleboro has developed an appropriate supply planning process.

E. Conclusions on the Supply Plan

The Department has found that North Attleboro has established that its normal year,

design year, design day and cold-snap supply plans are adequate to meet the Company's forecast sendout requirements throughout the forecast period. In addition, the Department has found that North Attleboro has: (1) developed appropriate criteria for screening and comparing supply-side resources, and; (2) addressed the need for a mechanism to undertake the comparison of resources on an equal basis. Finally, the Department has found that the Company's supply planning process as a whole may lead to the addition of resources that contribute to a least-cost supply plan. Accordingly, the Department approves the Company's supply plan for the years 2001-2002 through 2005-2006.

IV. CONCLUSION

The Department hereby approves the 2001-2002 through 2005-2006 forecast and supply plan of North Attleboro Gas Company. In so deciding, the Department has detailed specific information that North Attleboro must provide in its next filing in order for the Department to approve that filing. This information is necessary for the Department to fulfill its statutory mandate. Therefore, in order for the Department to approve North Attleboro's next forecast and supply plan filing, the Company must collect and present relevant data and information to appropriately develop its forecast and supply plan.

V. ORDER

Accordingly, after due notice, hearing and consideration, it is

ORDERED: That North Attleboro Gas Company's petition for approval of its long-range forecast and supply plan be and hereby is APPROVED; and it is

FURTHER ORDERED: That North Attleboro Gas Company comply with all of the

directives contained herein prior to filing its next long-range forecast and supply plan; and it is

FURTHER ORDERED: That North Attleboro Gas Company shall file its next long-range forecast and supply plan with the Department by January 31, 2004.

By Order of the Department,

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James Connelly, Chariman

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W. Robert Keating, Commissioner

_____

Paul B. Vasington, Commissioner

_____

Eugene J. Sullivan, Commissioner

_____

Deirdre K. Manning, Commissioner

Appeal as to matters of law from any final decision, order or ruling of the Commission may be taken to the Supreme Judicial Court by an aggrieved party in interest by the filing of a written petition praying that the Order of the Commission be modified or set aside in whole or in part.

Such petition for appeal shall be filed with the Secretary of the Commission within twenty days after the date of service of the decision, order or ruling of the Commission, or within such time as the Commission may allow upon request filed prior to the expiration of twenty days after the date of service of said decision, order or ruling. Within ten days after such petition has been filed, the appealing party shall enter the appeal in the Supreme Judicial Court sitting in Suffolk County by filing a copy thereof with the Clerk of said Court. (Sec. 5, Chapter 25, G.L. Ter. Ed., as most recently amended by Chapter 485 of the Acts of 1971).